

Large international natural gas projects enter their final stretch

The completion of the tenders for the construction of the Greek-Bulgarian interconnector (IGB), together with the founding ceremony that took place in late May in Bulgaria, signify the entrance of specific significant peripheral projects into their final stretch.

As for IGB, its construction is expected to begin this summer and last until December 2020. IGB's realization enables the project of an LNG terminal in Alexandroupoli to move from the planning table to reality, since it is closely connected to IGB and is expected to supply gas from far away sources. IGB's main supply route, the TAP pipeline, is almost complete and its construction is currently at 87% according to the project's consortium. When TAP begins to transfer gas, together with the whole Southern Corridor, the first step will have been made to transform our region and possibly turn Greece into a gas hub.

Regardless, energy experts underline that infrastructure projects are not enough by themselves to achieve that. It also takes the quantitative growth of the internal market, the existence of trade tools and international cooperation. This part will require initiatives by the public and the private sector with the participation of the government, businesses, operators, the regulator and other bodies. There is cause for optimism, but there is also a long way forward.

HELPE: Satisfactory performance despite weaker benchmark refining margins in 1Q19

HELPE had a positive performance during the first trimester of 2019, according to the group's financial results.

More specifically, HELPE's 1Q19 Adjusted EBITDA came in at €123m, with Adjusted Net Income at €37m, recording one more quarter of good results and in line with expected industry performance. The drop in benchmark refining margins, mainly on account of the lowest gasoline and naphtha cracks during the last four years and reduced crude availability in the region, as well as maintenance driven production, decrease at 3.6m MT (-9%), led to a negative impact on quarterly operational profitability vs 1Q18.

A mitigating factor to the weak refining environment and crude supply issues has been the flexibility of Group's refineries in processing varied crude grades allowing a sustained over-performance as well as a stronger USD exchange rate. On a comparable basis, non-refining business units' performance at similar levels as 1Q18, contributing by 37% to Group Adj. EBITDA.

With respect to financing costs, a further drop of 16% reflects debt reduction as well as better pricing on account of renegotiation of existing debt facilities. Equity consolidated Power & Gas contribution to Net Income is up (+30%), despite DESFA sale and deconsolidation.

Based on the results above and the positive impact of increasing crude oil prices during the quarter, 1Q19 Reported Net Income amounted to €47m, with results including for the first time the impact of new IFRS 16 on operating leases of retail fuel stations and other equipment.

Over 87% of Trans Adriatic Pipeline complete

The 16th of May marked the three year anniversary since the start of the Trans Adriatic Pipeline construction. To date, 98% of pipes are laid in the ground across Greece, Albania and Italy.



Additionally:

- Over 93% of the land along TAP's route in Greece, Albania and Italy has been reinstated,
- In Italy, works are well under way at the pipeline receiving terminal,
- The compressor and metering stations are more than 85% complete,
- The installation of pipes offshore continues to progress in line with the project schedule,
- The project has a world class safety record with lost time frequency levels well below international norms; TAP teams have driven over 116 million kilometres and worked approximately 41 million man-hours without any major safety incident.

Construction of IGB commences this summer

IGB pipeline's construction begins this summer, after the first pipes have been delivered and the first construction sites have been built.

The completion of the tenders for the pipes supplier and the constructor have now been completed and according to sources from ICGB, there are no more loose ends since financing has also been secured.

On May 22, the Greek prime minister, Alexis Tsipras, together with his Bulgarian counterpart, Boyko Borisov, participated in IGB's founding ceremony, together with officials and business executives from the two countries.

"The project is of strategic importance not only for our two countries but also for the whole of Europe, including the Western Balkan countries," said Prime Minister Borisov. Greek PM, Alexis Tsipras, highlighted that IGB is a vital part of the Vertical Corridor and will enhance security of supply for the countries in the region.

The pipeline is expected to be ready and transfer gas from Sah Deniz through TAP by December, 2020. The pipeline is 182 km long, 150 km in Bulgaria, connecting the Greek gas network in Komotini with the Bulgarian gas network in Stara Zagora. Its technical capacity is 3 to 5 billion cubic metres. The total cost of the project is EUR 220 million.

Panagiotakis: PPC is a strong company and is not in danger despite of difficulties

PPC's chairman and CEO, Manolis Panagiotakis, spoke about the group's condition and future prospects.

He said that "a company that invests 790 million Euros annually and creates thousands of jobs cannot be considered problematic. Despite what is being said, PPC faces certain difficulties but is not in danger".

Mr. Panagiotakis mentioned the Ptolemaida 5 project. As he said, "the investment in Ptolemaida 5, which is in full swing, is great proof" for the fact that PPC "is a very strong company".

Based on the above, Mr. Panagiotakis called for everyone to be "more careful" when speaking about PPC.



Magnus Hall elected President of Eurelectric

Magnus Hall, President and CEO of the Swedish-based electricity company, Vattenfall, takes over the presidency of Eurelectric. According to an announcement by the association, the priorities of his two-year mandate will be to continue the efforts of the electricity industry in becoming carbon-neutral by 2045 and leading a timely energy transition. Under his Presidency, Eurelectric will call upon new EU policy leaders to enable widespread electrification, while ensuring a fair and inclusive transition.

The prime objective of Mr Hall's Presidency will be to lead the transition towards an energy system powered by carbon-neutral electricity, supported by a best-in-class model for electricity distribution. Another key priority will be to gain better insights into the needs of customers and identify new ways to support them in adopting low-carbon lifestyles. Last but not least, Eurelectric will advocate and analyse ways to strive for a fair transition for all customers and cooperate with policymakers to put in place measures that ensure broad social acceptance of the energy transition.

“Electrification is the key enabler of a carbon-neutral future in Europe. We want to cooperate with policymakers and industry to accelerate electrification in transport, heating and industry.” said Magnus Hall.

